

We've made significant progress in the eight months since the Obama Administration launched the Making Home Affordable (MHA) Program. Three weeks early, we reached our goal to get 500,000 homeowners into trial modifications by November 1 and now have more than 650,000 homeowners in active trials. While we're pleased that homeowners have taken the first step, we now need your support to help them proceed in the process.

Today, we launched a campaign to help homeowners in the MHA Program convert their trial modifications to permanent modifications. But to be successful, **we need your help** to reach homeowners:

- Encourage homeowners to confirm that their servicers have all of the documentation—verification of income, expenses, and financial hardship—needed to convert the trial modification to a permanent modification.
- Encourage homeowners to submit any missing documents as quickly as possible. Homeowners who miss the deadline could lose their eligibility.
- Direct homeowners who need assistance completing forms or gathering documentation to call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE(4673). They should ask for "MHA Help" to access the customer support team established specifically to assist them. And help is free!
- Direct homeowners to MakingHomeAffordable.gov for additional MHA information.

To help you reach out to homeowners in your area, we have created a variety of promotional resources. Visit the [Outreach Toolkit](#) on MakingHomeAffordable.gov. We've also prepared a Conversion Guide for Partners (attached to this email) to help you better understand this conversion campaign.

As always, thank you for your continued effort to keep Americans in their homes. Your leadership is so important to the homeowners in your community, and your partnership in this effort is greatly appreciated!

Outreach Toolkit



- Web banners to display on your websites to direct borrowers back to MakingHomeAffordable.gov
- Streamlined documents to request a modification with step-by-step instructional video to help borrowers through the documentation process
- Contact information including fax numbers and addresses where borrowers can mail or fax their completed documentation
- Printable flyers and brochures outlining the program and eligibility requirements to distribute to borrowers

Conversion Guide for Partners



- List of resources to learn more about the conversion process and understand the process of requesting modifications
- Key points about the Home Affordable Modification Program to help you explain the program to borrowers
- Different methods you can use to escalate borrower problems
- Sample language for newsletters to help spread the word about the program and drive borrowers to the MHA web site
- Frequently Asked Questions about the conversion process



Making Home Affordable Program Web Resources

Resources on the Making Home Affordable Program (www.MakingHomeAffordable.gov) web site include:

- Conversion alert web banner and homepage feature to direct borrowers who entered Trial Period Plans before October 1 to the “Understand the Trial Period” page.
- “Understand the Trial Period” page explains the trial period to borrowers and includes information about what they need to do to get a permanent Home Affordable Modification. The page also includes a new instructional video.
- “Request a Modification” tab has all of the required documents and an income verification checklist to help borrowers request a modification in four easy steps.
- “Contact your Mortgage Servicer” directory to help borrowers find verified addresses and fax numbers for each servicer so they know precisely where to submit their documents.
- Calendar of upcoming events details where homeowners can get immediate help connecting with servicer representatives and local HUD-approved housing counselors.
- Online Making Home Affordable Outreach Toolkit includes:
 - Web banner advertisements for partner web sites;
 - Printable flyers and brochures outlining the program and eligibility requirements in seven languages: English, Spanish, Portuguese, Chinese, Korean, Vietnamese, and Tagalog.

Resources on the Home Affordable Modification Program administrative website (www.HMPAdmin.com) include:

- Supplemental directives to provide guidance and clarify issues that may not have been fully addressed by previous guideline documents. These directives include information about application guidelines, timelines for servicer responses, and reasons for denying an application.

Home Affordable Modification Program Key Points

- Purpose

- Modifies loans of qualifying at-risk borrowers to achieve affordable payments
- Allows borrowers to keep their homes
- Reduces impact of foreclosure on communities

- Eligibility Criteria

A borrower must:

- Be an owner-occupant of a one to four unit home;
- Have an unpaid principal balance that is equal to or less than:
 - 1 Unit: \$729,750
 - 2 Units: \$934,200
 - 3 Units: \$1,129,250
 - 4 Units: \$1,403,400;
- Have a first lien mortgage that was originated on or before January 1, 2009;
- Have a monthly mortgage payment (including taxes, insurance, and homeowners association dues) greater than 31 percent of their monthly gross (pre-tax) income; and
- Have a mortgage payment that is not affordable due to a financial hardship that can be documented.

- Requesting a Modification

- Step 1: Complete the Request Form (Request for Modification and Affidavit)
- Step 2: Complete the Tax Authorization (IRS 4506T-EZ Form)
- Step 3: Gather Proof of Income
- Step 4: Send the Documents to Your Mortgage Servicer

- Evaluation Process

The servicer:

- Determines whether the loan meets the minimum eligibility criteria;
- Obtains borrower income and debt information; and
- Calculates borrower's target modified payment to reach a debt-to-income ratio of 31 percent by doing the following (in order):
 - Reducing the interest rate to as low as 2 percent
 - Extending the loan term to up to 40 years
 - Forbearing a portion of the principal until the loan is paid off and waive interest on the deferred amount.

- Importance of Documentation
 - A borrower cannot be approved for a permanent Home Affordable Modification if their servicer does not have all of the necessary documentation.
 - If a borrower's first Trial Period Plan payment was due on or before **October 1, 2009**, the deadline for signing an agreement for a permanent Home Affordable Modification is **December 31, 2009**.
 - Borrowers must connect with their servicer to ensure that all of their documents have been submitted.
 - The December 31 deadline does not apply to borrowers who received a Trial Period Plan after October 1. However, they must make sure that their mortgage servicer gets all of the forms and documents they need to verify the borrower's eligibility.



Additional Resources

Making Home Affordable Program web site (www.MakingHomeAffordable.gov)

Borrowers can access this site to learn how to request a Home Affordable Modification, a checklist of required income documents, downloadable forms, and the mailing address for their servicer. They can also find eligibility guidelines, payment reduction estimators, contact information for HUD-approved housing counselors, and dates for homeowner events in their area where they can meet face-to-face with servicers.

Escalation Center (1-866-939-4469 or email: escalations@HMPadmin.gov)

Counselors and government officials have a dedicated line to request help in resolving borrower issues with loan modifications. If a homeowner has a dispute with their servicer, counselors can contact Fannie Mae at the Escalation Center for assistance.

Please note that this number is for counselors and government officials only and should not be shared with homeowners. Homeowners should contact the Homeowner's HOPE™ Hotline for assistance.

Homeowner's HOPE™ Hotline (1-888-995-HOPE (4673))

Borrowers who want general information and eligibility criteria for the Making Home Affordable Program (Home Affordable Refinance or Modification) should call 1-888-995-HOPE (4673). Borrowers can also request to speak with a HUD-approved housing counselor about their specific situation.

Borrowers who need help with a specific issue, such as assistance completing paperwork or concerns about adherence to program guidelines, should call 1-888-995-HOPE (4673) and ask for MHA HELP. They will be directed to a dedicated team of housing counselors able to intercede on their behalf with servicers implementing the Home Affordable Modification Program.

MHA Administrative Site for Servicers (www.HMPadmin.gov)

All guidance for the Home Affordable Modification Program can be found on the HMPadmin site. Detailed information about implementation of many aspects of the program can be found in the supplemental directives posted here.

NeighborWorks Scam Alert Web site (www.loanscamalert.org)

In order to combat reported mortgage modification scams, NeighborWorks and its partners created this site to educate homeowners about loan modification fraud. Borrowers can use this site to protect themselves against scams, find help, and report illegal activity to authorities.



Sample Language for Constituent Newsletters

If You Received a Trial Making Home Affordable Mortgage Modification, Make Sure Your Servicer Has Your Complete Documentation.

Did you know that the Making Home Affordable Program has already put over 650,000 borrowers into trial mortgage modifications? Some borrowers may have entered into trial plans with incomplete documentation. Borrowers need to ensure that their servicers have all of the documents required for a permanent mortgage modification. Homeowners who entered into trial modifications before October 1, must complete the process before December 31. If you are currently in a trial modification, please remember to send all of the required documents to your mortgage servicer. You can find contact information at www.MakingHomeAffordable.gov. If you are not sure if you have submitted all of the required documentation, contact your servicer directly. If you need help completing your paperwork, you can call 1-888-995-HOPE (4373) to speak with a HUD-approved housing counselor for free.

For more information, visit www.MakingHomeAffordable.gov.



Home Affordable Modification Program (HAMP) Frequently Asked Questions

How does the program work? How do I apply? When does a modification become permanent?

Who is eligible for a Home Affordable Modification?

Homeowners may be eligible for a Home Affordable Modification if they:

- Are the owner-occupant of a one to four unit home;
- Have an unpaid principal balance that is equal to or less than:
 - 1 Unit: \$729,750
 - 2 Units: \$934,200
 - 3 Units: \$1,129,250
 - 4 Units: \$1,403,400
- Have a first lien mortgage that was originated on or before January 1, 2009;
- Have a monthly mortgage payment (including taxes, insurance, and homeowners association dues) greater than 31 percent of their monthly gross (pre-tax) income; and
- Have a mortgage payment that is not affordable due to a financial hardship that can be documented.

Homeowners can use the pre-screening tool on www.MakingHomeAffordable.gov to determine their eligibility or contact their mortgage servicer directly. Currently, about 85 percent of mortgages that could be HAMP-eligible are with servicers who participate in the program.

How can a homeowner request a Home Affordable Modification?

Homeowners can go to www.MakingHomeAffordable.gov, click on the "Request a Modification" tab, and follow the four easy steps to complete and submit all of the paperwork required to request a modification from their mortgage servicer. Homeowners can also call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673) and ask for "MHA HELP" for free help from a HUD-approved housing counselor who will guide them through the process. Whichever method homeowners choose, it is important for them to remember to send all of the required documentation to their mortgage servicer.

What happens after a homeowner requests a Home Affordable Modification?

The homeowner's mortgage servicer will evaluate the homeowner's eligibility for a Home Affordable Modification through a value test to determine whether the value of the loan will be greater to the investor if the loan is modified. If the net present value is positive, the servicer

must offer a modification. The servicer will then apply modification steps—capitalizing accrued interest, reducing the interest rate, extending the loan—to reduce the homeowner's monthly mortgage payment to 31 percent of their gross income. If approved for a Trial Period Plan, the homeowner will receive a Trial Period Plan notice describing the terms and conditions of the trial modification. The homeowner must make three monthly payments under the trial modification.

Important Notice: For homeowners whose first Trial Period Plan payment was due on or before **October 1, 2009**, the deadline for signing an agreement for a permanent Home Affordable Modification is **December 31, 2009**. If a homeowner does not sign a Permanent Modification Agreement by this deadline, they could lose their eligibility for a Home Affordable Modification. This deadline does not apply to homeowners whose first Trial Period Plan payment was due after October 1.

Can a servicer proceed with foreclosure while a homeowner is being evaluated for a Home Affordable Modification?

Servicers may not proceed with foreclosure sales until a homeowner has been evaluated for a Home Affordable Modification. If a servicer has initiated foreclosure proceedings before a borrower applies for a modification, the homeowner may still receive foreclosure notices, but the sale may not take place before a determination is made.

What if a servicer determines that a homeowner is ineligible for a Home Affordable Modification?

The U.S. Department of the Treasury recently issued guidance instructing servicers that they must provide homeowners with a written explanation for their non-approval. This notice must include a toll-free number for a servicer representative who can explain the non-approval, as well as the Homeowner's HOPE™ Hotline number and a description of other foreclosure alternatives for which the homeowner may be eligible.

What happens at the end of the trial period?

If homeowners have made all of their trial period payments in a timely fashion and have submitted all of the necessary documents, their paperwork will be verified and evaluated for a permanent Home Affordable Modification. The servicers **MUST** be in possession of all of the required documents in order for their modification to become permanent. If homeowners are unsure if all of their documents have been received, or are unsure about their status, they should call their mortgage servicer. If homeowners need help completing their documents, they should call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (4673) and ask for "MHA Help".

How can I raise awareness of this program among my constituents?

Web banner advertisements for your website may be downloaded from the online Making Home Affordable Outreach Toolkit at: www.MakingHomeAffordable.com/ads. These ads will link homeowners to the Making Home Affordable Program web site, where they can find all of the resources described above. The online Outreach Toolkit is also home to a number of brochures and fact sheets in seven different languages (English, Spanish, Portuguese, Chinese, Korean,

Vietnamese, and Tagalog) to help homeowners understand the program and how to apply for a Home Affordable Modification.

If homeowners contact me for help, what can I do?

First, make sure that homeowners know that they absolutely must submit all of the proper documents to their servicers. Encourage them to use the Homeowner's HOPE™ Hotline for free help from a HUD-approved housing counselor (1-888-995-HOPE (4673)). If a homeowner is having difficulty resolving their case or program guidelines may have been broken, housing counselors and caseworkers have a dedicated escalation line for clients who are having issues with their servicers. This escalation number is 1-866-939-4469. *Please note that this escalation number is not for homeowners to use directly, but rather, for advocates to use on their behalf.*